UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-4879

Diebold Nixdorf, Incorporated

(Exact name of registrant as specified in its charter)

Delaware	**34-0183970**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**
350 Orchard Avenue NE North Canton Ohio	**44720-2556**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (330) 490-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	**DBD**	**New York Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐	Non-accelerated Filer	☒
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of April 30, 2024 was 37,566,668.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
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Part I – Financial Information

Item 1: Financial Statements

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in millions, except per share amounts)

	Successor	
	March 31, 2024	**December 31, 2023**
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 281.9	$ 550.2
Restricted cash	106.2	42.1
Short-term investments	19.2	13.4
Trade receivables, less allowances for doubtful accounts of $3.1 and $3.6, respectively	660.7	721.8
Inventories	636.1	589.8
Prepaid expenses	45.6	44.0
Other current assets	222.6	192.6
Total current assets	1,972.3	2,153.9
Securities and other investments	6.6	6.5
Property, plant and equipment, net of accumulated depreciation and amortization of $28.3 and $14.3, respectively	153.1	159.0
Deferred income taxes	61.6	71.4
Goodwill	606.2	616.7
Customer relationships, net	525.0	543.0
Other intangible assets, net	333.1	348.3
Other assets	285.1	263.2
Total assets	$ 3,943.0	$ 4,162.0

See accompanying notes to condensed consolidated financial statements.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Balance Sheets - (Continued)
(in millions, except per share amounts)

	Successor	
	March 31, 2024	**December 31, 2023**
	(Unaudited)	
LIABILITIES AND EQUITY		
Current liabilities		
Notes payable	$ 0.5	$ 0.3
Accounts payable	536.6	529.0
Deferred revenue	381.5	376.2
Payroll and other benefits liabilities	146.3	160.1
Other current liabilities	353.2	355.4
Total current liabilities	1,418.1	1,421.0
Long-term debt	1,109.7	1,252.4
Pensions, post-retirement and other benefits	108.8	112.6
Deferred income taxes	194.7	204.9
Other liabilities	86.0	91.9
Total liabilities	2,917.3	3,082.8
Equity		
Diebold Nixdorf, Incorporated shareholders' equity		
Successor preferred stock, no par value, 2,000,000 authorized shares, none issued	—	—
Successor common stock, $0.01 par value, 45,000,000 authorized shares and 37,566,668 issued shares, and 37,566,668 outstanding shares	0.4	0.4
Paid-in-capital	1,040.6	1,038.7
Retained Earnings	2.5	17.1
Accumulated other comprehensive loss	(30.4)	7.6
Total Diebold Nixdorf, Incorporated shareholders' equity	1,013.1	1,063.8
Noncontrolling interests	12.6	15.4
Total equity	1,025.7	1,079.2
Total liabilities and equity	$ 3,943.0	$ 4,162.0

See accompanying notes to condensed consolidated financial statements.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(unaudited)
(in millions, except per share amounts)

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Net sales		
Services	$ 524.8	$ 516.4
Products	370.6	341.7
	895.4	858.1
Cost of sales		
Services	408.7	363.0
Products	278.1	285.8
	686.8	648.8
Gross profit	208.6	209.3
Selling and administrative expense	161.6	183.8
Research, development and engineering expense	24.2	26.4
(Gain) loss on sale of assets, net	(1.0)	0.3
Impairment of assets	—	0.9
	184.8	211.4
Operating profit (loss)	23.8	(2.1)
Other income (expense)		
Interest income	4.2	1.7
Interest expense	(43.6)	(81.9)
Foreign exchange gain (loss), net	0.4	(10.6)
Miscellaneous gain, net	1.0	2.6
Loss before taxes	(14.2)	(90.3)
Income tax (benefit) expense	(3.1)	21.1
Equity in earnings (loss) of unconsolidated subsidiaries, net	(2.9)	(0.1)
Net loss	(14.0)	(111.5)
Net (loss) income attributable to noncontrolling interests	0.6	(0.4)
Net loss attributable to Diebold Nixdorf, Incorporated	$ (14.6)	$ (111.1)
Basic and diluted weighted-average shares outstanding	37.6	79.3
Net loss attributable to Diebold Nixdorf, Incorporated		
Basic and diluted loss per share	$ (0.39)	$ (1.40)

See accompanying notes to condensed consolidated financial statements.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss)
(unaudited and in millions)

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Net loss	$ (14.0)	$ (111.5)
Other comprehensive income (loss), net of tax		
Translation adjustment	(43.0)	6.9
Interest rate hedges		
Net income recognized in other comprehensive income (net of tax of $— in the Successor Period and $— in the Predecessor Period, respectively)	—	0.3
Pension and other post-retirement benefits		
Net actuarial gain (loss) amortized (net of tax of $(2.1) in the Successor Period and $0.5 in the Predecessor Period, respectively)	5.0	1.3
Other comprehensive income (loss), net of tax	(38.0)	8.5
Comprehensive loss	(52.0)	(103.0)
Less: Comprehensive income (loss) attributable to noncontrolling interests	0.6	1.8
Comprehensive loss attributable to Diebold Nixdorf, Incorporated	$ (52.6)	$ (104.8)

See accompanying notes to condensed consolidated financial statements.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(unaudited and in millions)

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Cash flow from operating activities		
Net loss	$ (14.0)	$ (111.5)
Adjustments to reconcile net loss to cash flow used by operating activities:		
Depreciation and amortization	9.1	11.7
Amortization of fair value intangible assets	24.2	17.7
Amortization of deferred financing costs into interest expense	0.4	13.6
Share-based compensation	1.9	1.3
Debt prepayment costs	2.0	—
(Gain) loss on sale of assets, net	(1.0)	0.3
Impairment of assets	—	0.9
Deferred income taxes	(2.2)	2.9
Other	(0.1)	0.8
Changes in certain assets and liabilities:		
Trade receivables	49.1	(4.4)
Inventories	(56.1)	(39.6)
Accounts payable	16.1	15.4
Deferred revenue	10.9	25.5
Sales tax and net value added tax	(35.0)	(24.3)
Income taxes	(11.9)	(2.8)
Accrued salaries, wages and commissions	(11.5)	11.3
Restructuring accrual	19.3	(23.4)
Warranty liability	4.0	(1.1)
Pension and post retirement benefits	(0.8)	3.0
Accrued interest	1.0	39.2
Certain other assets and liabilities	(28.9)	(32.4)
Net cash used by operating activities	(23.5)	(95.9)

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows - (Continued)
(unaudited and in millions)

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023
Cash flow from investing activities		
Capital expenditures	(6.7)	(5.7)
Capitalized software development	(6.2)	(5.4)
Proceeds from maturities of investments	75.5	71.9
Payments for purchases of investments	(81.5)	(62.5)
Proceeds from sale of assets	0.9	—
Net cash used by investing activities	(18.0)	(1.7)
Cash flow from financing activities		
Revolving credit facility borrowings, net	50.0	22.7
Debt issuance costs	(4.6)	—
Repayment Exit facility	(200.0)	—
Other debt borrowings	0.2	2.3
Other debt repayments	(0.1)	(2.1)
Debt prepayment costs	(2.0)	—
Other	(1.5)	(1.8)
Net cash (used), provided by financing activities	(158.0)	21.1
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4.7)	1.9
Change in cash, cash equivalents and restricted cash	(204.2)	(74.6)
Add: Cash included in assets held for sale at beginning of period	—	2.8
Less: Cash included in assets held for sale at end of period	—	0.9
Cash, cash equivalents and restricted cash at the beginning of the period	592.3	319.1
Cash, cash equivalents and restricted cash at the end of the period	$ 388.1	$ 246.4
Cash paid for:		
Income taxes	$ 11.4	$ 11.8
Interest	$ 40.1	$ 25.3

	Successor March 31, 2024	Predecessor March 31, 2023
Cash and cash equivalents	$ 281.9	$ 234.6
Restricted cash	106.2	11.8
Total cash, cash equivalents and restricted cash at the end of the period	$ 388.1	$ 246.4

See accompanying notes to condensed consolidated financial statements.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
FORM 10-Q as of March 31, 2024
Notes to Condensed Consolidated Financial Statements
(unaudited)
(in millions, except per share amounts)

Note 1: Basis of Presentation

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. In addition, some of the Company's statements in this Quarterly Report on Form 10-Q may involve risks and uncertainties that could significantly impact expected future results. The results for interim periods are not necessarily indicative of results for the entire year.

The Company has reclassified the presentation of certain Predecessor information to conform to the Successor presentation.

Bankruptcy Accounting and Fresh Start Accounting

As described in Note 2, on June 1, 2023, the Company and certain of its U.S. and Canadian subsidiaries (collectively, the Debtors) filed voluntary petitions in the U.S. Bankruptcy Court for the Southern District of Texas (the U.S. Bankruptcy Court) seeking relief under chapter 11 of title 11 of the U.S. Code (the U.S. Bankruptcy Code). The cases were jointly administered under the caption In re: Diebold Holding Company, LLC, et al. (Case No. 23-90602) (the Chapter 11 Cases). Additionally, on June 1, 2023, Diebold Nixdorf Dutch Holding B.V. (Diebold Dutch) filed a scheme of arrangement relating to certain of the Company's other subsidiaries (the Dutch Scheme Parties) and commenced voluntary proceedings (the Dutch Scheme Proceedings and, together with the Chapter 11 Cases, the Restructuring Proceedings) under the Dutch Act on Confirmation of Extrajudicial Plans (Wet homologatie onderhands akkoord) in the District Court of Amsterdam (the Dutch Court). In addition, on June 12, 2023, Diebold Dutch filed a voluntary petition for relief under chapter 15 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court seeking recognition of the Dutch Scheme Proceedings as a foreign main proceedings and related relief (the Chapter 15 Proceedings).

For periods subsequent to the filing of the Restructuring Proceedings, the Company applied Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic No. 852 – Reorganizations (ASC 852) in preparing its consolidated financial statements. According, during the pendency of the Chapter 11 Cases and Dutch Scheme Proceedings, prepetition liabilities of the Debtors and Dutch Scheme Parties subject to compromise under the Restructuring Proceedings were distinguished from liabilities that were not expected to be compromised and post-petition liabilities in our condensed consolidated balance sheets. Liabilities subject to compromise were recorded at the amounts expected to be allowed by the U.S. Bankruptcy Court. Additionally, the income, expenses, gains and losses directly and incrementally resulting from the Chapter 11 Cases and Dutch Scheme Proceedings were separately reported as Reorganization items, net in our condensed consolidated statement of operations.

In accordance with ASC 852, we qualified for and adopted fresh start accounting (Fresh Start Accounting) upon emergence from the Restructuring Proceedings, at which point we became a new entity for financial reporting because (i) the holders of the then existing common shares of the Predecessor received less than 50% of the new shares of common stock of the Successor outstanding upon emergence and (ii) the reorganization value of the Company's assets immediately prior to confirmation of the Plans (defined in Note 2) was less than the total of all post-petition liabilities and allowed claims.

Upon adoption of Fresh Start Accounting, the reorganization value derived from the enterprise value associated with the Plans was allocated to the Company's identifiable tangible and intangible assets and liabilities based on their fair values (except for deferred income taxes), with the remaining excess value allocated to goodwill in accordance with ASC 805 – Business Combinations. Deferred income tax amounts were determined in accordance with ASC 740 – Income Taxes.

References to "Predecessor" relate to the Condensed Consolidated Statements of Operations for the three months ended March 31, 2023 (Predecessor Period). References to "Successor" relate to the Condensed Consolidated Balance Sheets of the reorganized Company as of December 31, 2023 and March 31, 2024, and Condensed Consolidated Statements of Operations for the three months ended March 31, 2024 (Successor Period) and are not comparable to the Predecessor as indicated by the "black line" division in the financial statements and footnote tables, which emphasizes the lack of comparability between amounts presented. The Company's financial results for future periods following the application of Fresh Start Accounting will be different from historical trends and the differences may be material.

Principles of Consolidation

We consolidate all wholly owned subsidiaries and controlled joint ventures. All material intercompany accounts and transactions have been eliminated in consolidation.

Recently Issued Accounting Guidance

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs) issued by the FASB.

In March 2020, the FASB issued guidance that provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by the transition away from reference rates expected to be discontinued to alternative reference rates. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into on or before December 31, 2024. The standard does not materially impact the Company's consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments of ASU 2023-07 improve segment reporting disclosures, including significant segment expenses. The Company is currently evaluating the impact of this guidance on the Company’s condensed consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments for ASU 2023-09 enhance income tax disclosures by including additional disclosures related to rate reconciliation and information regarding income taxes paid. The Company is currently evaluating the impact of this guidance on the Company’s condensed consolidated financial statements.

Although there are other new accounting pronouncements issued by the FASB, the Company does not believe these pronouncements will have a material impact on its consolidated financial statements.

Note 2: Chapter 11 Cases and Dutch Scheme Proceedings

On June 1, 2023, the Debtors filed voluntary petitions in the U.S. Bankruptcy Court seeking relief under he U.S. Bankruptcy Code. The cases were jointly administered under the Chapter 11 Cases. Additionally, on June 1, 2023, Diebold Dutch filed a scheme of arrangement relating to the Dutch Scheme Parties and the Restructuring Proceedings under the Dutch Act on Confirmation of Extrajudicial Plans (Wet homologatie onderhands akkoord) in the Dutch Court. In addition, on June 12, 2023, Diebold Dutch filed a voluntary petition for relief under the Chapter 15 Proceedings.

On July 13, 2023, the U.S. Bankruptcy Court entered an order (the Confirmation Order) confirming the Debtors’ Second Amended Joint Prepackaged Chapter 11 Plan of Reorganization (the U.S. Plan). On August 2, 2023, the Dutch Court entered an order (the WHOA Sanction Order) sanctioning the Netherlands WHOA Plan of Diebold Dutch and the Dutch Scheme Companies (the WHOA Plan) in the Dutch Scheme Proceedings. On August 7, 2023, the U.S. Bankruptcy Court entered an order in the Chapter 15 Proceedings recognizing the WHOA Plan and the WHOA Sanction Order.

On August 11, 2023 (the Effective Date or Fresh Start Reporting Date), the U.S. Plan and WHOA Plan (together, the Plans) became effective in accordance with their terms and the Debtors and the Dutch Scheme Parties emerged from the Chapter 11 Cases and the Dutch Scheme Proceedings. Following filing the notice of the Effective Date with the U.S. Bankruptcy Court, the Chapter 15 Proceedings were closed.

Note 3: Fresh Start Accounting

Upon emergence from the Chapter 11 Cases and Dutch Scheme Proceedings, the Company qualified for and adopted Fresh Start Accounting, which resulted in the Company becoming a new entity for financial reporting purposes (the Successor).

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The reorganization value derived from the range of enterprise values associated with the Plans was allocated to the Company's identifiable tangible and intangible assets and liabilities based on their fair values (except for deferred income taxes) with the remaining excess value allocated to goodwill.

As a result of the adoption of Fresh Start Accounting and the effects of the implementation of the Plans, the Company's condensed consolidated financial statements of the Successor, are not comparable to its condensed consolidated financial statements of the Predecessor.

Note 4: Earnings (Loss) Per Share

Basic loss per share is based on the weighted-average number of shares of common stock outstanding. Diluted loss per share includes the dilutive effect of shares of potential common stock outstanding. Under the two-class method of computing loss per share, non-vested share-based payment awards that contain rights to receive non-forfeitable dividends are considered participating securities. During the Predecessor Periods, the Company's participating securities included restricted stock units (RSUs), director deferred shares and shares that vested but were deferred by employees. There were no participating securities in the Successor Period. The Company calculated basic and diluted loss per share under both the treasury stock method and the two-class method. For the three months ended March 31, 2024 and 2023, there were no differences in the loss per share amounts calculated using the two methods. Accordingly, the treasury stock method is disclosed below; however, because the Company is in a net loss position in both the Successor Period of the three months ended March 31, 2024 and the Predecessor Period of the three months ended March 31, 2023, dilutive shares are excluded from the shares used in the computation of diluted loss per share.

The following table represents amounts used in computing loss per share and the effect on the weighted-average number of shares of potential dilutive common stock:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Numerator		
Loss used in basic and diluted loss per share		
Net (loss) income	$ (14.0)	$ (111.5)
Net (loss) income attributable to noncontrolling interests	0.6	(0.4)
Net (loss) income attributable to Diebold Nixdorf, Incorporated	$ (14.6)	$ (111.1)
Denominator		
Weighted-average number of shares of common stock used in basic and diluted loss per share [1]	37.6	79.3
Net (loss) income attributable to Diebold Nixdorf, Incorporated		
Basic and diluted loss per share	$ (0.39)	$ (1.40)
Anti-dilutive shares		
Anti-dilutive shares not used in calculating diluted weighted-average shares	1.1	2.2

(1) Nominal shares and 2.1 shares for the three months ended March 31, 2024 (Successor) and 2023 (Predecessor), respectively, are excluded from the computation of diluted loss per share because the effects are anti-dilutive, due to the net loss position.

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Note 5: Income Taxes

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Income Tax Expense/(Benefit)	(3.1)	21.1
Effective Tax Rate	21.8 %	(23.4) %

The effective tax rate on the loss from continuing operations was 21.8 percent for the three months ended March 31, 2024. The effective tax rate differed compared to the U.S. federal statutory rate for the variations in the expected jurisdictional mix of earnings and expected permanent tax differences relative to pretax earnings. For the three months ended March 31, 2024, the Company estimated its annual effective tax rate and applied it to year-to-date ordinary income/loss pursuant to Accounting Standard Codification (ASC) 740-270-25-1. The Company reports the tax effect of unusual or infrequently occurring items, including changes in judgement about valuation allowances, uncertain tax positions, and effects of changes in tax laws or rates in the interim period in which they occur. The BEPS 2.0 Pillar Two global minimum tax rules, previously enacted by several jurisdictions in which the Company operates, became effective in 2024. The Company does not estimate a material impact on its annual effective tax rate from these rules.

The effective tax rate on the loss from continuing operations was (23.4) percent for the three months ended March 31, 2023. The tax provision for the three months ended March 31, 2023, was attributable to the jurisdictional mix of pre-tax income and losses, discrete tax adjustments for current tax expense related to tax return to provision differences and changes in permanent reinvestment assertions. The Company calculated its income tax expense for the three months ended March 31, 2023, using the actual effective tax rate year to date, as opposed to the estimated annual effective tax rate, as provided in ASC 740-270-30-18.

Note 6: Inventories

Major classes of inventories are summarized as follows:

	Successor	
	March 31, 2024	December 31, 2023
Raw materials and work in process	$ 206.1	$ 174.0
Finished goods	255.5	242.0
Total product inventories	461.6	416.0
Service parts	174.5	173.8
Total inventories	$ 636.1	$ 589.8

Note 7: Investments

The Company's investments, primarily held by our subsidiaries in Brazil, consist of certificates of deposit that are recorded at fair value based upon quoted market prices. Changes in fair value are recognized in interest income, determined using the specific identification method, and were minimal. There were no sales of securities or proceeds from the sale of securities prior to the maturity date during the three months ended March 31, 2024 (Successor) and 2023 (Predecessor).

The Company has deferred compensation plans that enable certain employees to defer receipt of a portion of their cash, 401(k) or share-based compensation and enable non-employee directors to defer receipt of director fees at the participants' discretion.

For deferred cash-based compensation, the Company established rabbi trusts (refer to Note 15), which are recorded at fair value of the underlying securities and presented within securities and other investments. The related deferred compensation liability is recorded at fair value and presented within other long-term liabilities. Realized and unrealized gains and losses on marketable securities in the rabbi trusts are recognized in interest income.

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The Company's investments subject to fair value measurement consist of the following:

	Cost Basis	Unrealized Gain	Fair Value
As of March 31, 2024 (Successor)			
Short-term investments			
Certificates of deposit	$ 19.2	$ —	$ 19.2
Long-term investments			
Assets held in a rabbi trust	$ 2.2	$ 0.8	$ 3.0
As of December 31, 2023 (Successor)			
Short-term investments			
Certificates of deposit	$ 13.4	$ —	$ 13.4
Long-term investments			
Assets held in a rabbi trust	$ 2.3	$ 0.6	$ 2.9

Securities and other investments also includes cash surrender value of insurance contracts of $3.6 and $3.6 as of March 31, 2024 (Successor) and December 31, 2023 (Successor), respectively.

The Company has certain non-consolidated joint ventures that are not significant subsidiaries and are accounted for under the equity method of accounting. The Company owns 48.1 percent of Inspur Financial Information System Co., Ltd. (Inspur JV) and 49.0 percent of Aisino-Wincor Retail & Banking Systems (Shanghai) Co., Ltd. (Aisino JV). The Company engages in transactions in the ordinary course of business with these joint ventures. As of March 31, 2024, the Company had accounts receivable and accounts payable balances with these joint ventures of $12.5 and $25.1, respectively. As of December 31, 2023, the Company had accounts receivable and accounts payable balances with these joint ventures of $13.0 and $24.2, respectively. These joint venture related balances are included in trade receivables, less allowances for doubtful accounts and accounts payable on the condensed consolidated balance sheets.

Note 8: Goodwill and Other Intangible Assets

The Company has the following operating segments: Banking and Retail. This is described in further detail in Note 19, and is consistent with how the Chief Executive Officer, the chief operating decision maker (CODM), makes key operating decisions, allocates resources, and assesses the performance of the business.

The excess of the Successor's reorganization value over the fair value of identified tangible and intangible assets as of the Emergence Date is reported separately on the Company's condensed consolidated balance sheets as goodwill.

The changes in the carrying amount of goodwill for the three months ended March 31, 2024 (Successor):

	Banking	Retail	Total
Goodwill, balance at January 1, 2024 (Successor)	$ 471.4	$ 145.3	$ 616.7
Currency translation adjustment	(8.0)	(2.5)	(10.5)
Goodwill, balance at March 31, 2024 (Successor)	$ 463.4	$ 142.8	$ 606.2

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Notes to Condensed Consolidated Financial Statements
(unaudited)
(in millions, except per share amounts)

The following summarizes information on Intangible assets by major category:

		Successor					
		March 31, 2024			December 31, 2023		
	Weighted-average remaining useful lives	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	17.0 years	$ 545.4	$ (20.4)	$ 525.0	$ 555.5	$ (12.5)	$ 543.0
Trademarks and trade names	18.0 years	117.2	(4.1)	113.1	118.8	(2.6)	116.2
Capitalized software development	7.7 years	26.3	(1.7)	24.6	22.0	(1.1)	20.9
Technology know-how and development costs non-software	6.0 years	190.8	(20.3)	170.5	193.3	(12.5)	180.8
Other intangibles	1.5 years	41.7	(16.8)	24.9	40.6	(10.2)	30.4
Other intangible assets, net		376.0	(42.9)	333.1	374.7	(26.4)	348.3
Total		$ 921.4	$ (63.3)	$ 858.1	$ 930.2	$ (38.9)	$ 891.3

Costs incurred for the development of external-use software that will be sold, leased or otherwise marketed are capitalized when technological feasibility has been established. These costs are included within other assets and are amortized on a straight-line basis over the estimated useful lives ranging from three to five years. Amortization begins when the product is available for general release. Costs capitalized include direct labor and related overhead costs. Costs incurred prior to technological feasibility or after general release are expensed as incurred. The Company performs periodic reviews to ensure that unamortized program costs remain recoverable from future revenue. If future revenue does not support the unamortized program costs, the amount by which the unamortized capitalized cost of a software product exceeds the net realizable value is impaired.

The following table identifies the activity relating to total capitalized software development:

	2024
Beginning balance as of January 1 (Successor)	$ 20.9
Capitalization	4.7
Amortization	(0.7)
Other	(0.3)
Ending balance as of March 31 (Successor)	24.6

	2023
Beginning balance as of January 1 (Predecessor)	$ 42.5
Capitalization	5.4
Amortization	(4.7)
Other	0.5
Ending balance as of March 31 (Predecessor)	$ 43.7

The Company's total amortization expense, excluding amounts related to deferred financing costs, was $26.4 and $23.3 for the three months ended March 31, 2024 (Successor) and 2023 (Predecessor), respectively.

Note 9: Product Warranties

The Company provides its customers a standard manufacturer's warranty and records, at the time of the sale, a corresponding estimated liability for potential warranty costs. Estimated future obligations due to warranty claims are based upon historical factors such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts.

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Changes in the Company's warranty liability balance are illustrated in the following table:

	Successor	Predecessor
	2024	2023
Beginning balance as of January 1	$ 28.0	$ 28.3
Current period accruals	13.9	9.1
Current period settlements	(9.9)	(10.2)
Currency translation adjustment	(0.9)	0.7
Ending balance as of March 31	$ 31.1	$ 27.9

Note 10: Restructuring

In the fourth quarter of 2023, the Company completed the 2022 initiative that was announced in the second quarter of 2022. The focus was to streamline operations, drive efficiencies and digitize processes. The savings realized were in line with expectations. The most significant expense of the initiative related to severance payments, while the remainder of the expenses incurred primarily relate to transitioning personnel and consultant fees in relation to the transformation process.

Also during the fourth quarter of 2023, the Company introduced its continuous improvement initiative, noting that the Company is focused on consistently innovating its solutions to support a better transaction experience for consumers at bank and retail locations while simultaneously streamlining cost structures and business processes through the integration of hardware, software and services. The most significant expense of the quarter ending March 31, 2024 is related to severance accruals, while the remainder of the expenses incurred primarily relate to transitioning personnel and consultant fees in relation to the transformation process.

The following tables summarizes the impact of the Company's restructuring and transformation charges on the consolidated statements of operations:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Cost of sales – services	$ 16.3	$ 0.6
Cost of sales – products	0.7	0.3
Selling and administrative expense	16.7	13.0
Research, development and engineering expense	3.0	0.6
Loss on sale of assets, net	—	0.5
Total	$ 36.7	$ 15.0

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The following table summarizes the Company's severance accrual balance and related activity:

	2024
Beginning balance as of January 1 (Successor)	$ 10.3
Severance accrual	22.8
Payout/Settlement	(3.4)
Other	(0.1)
Ending balance as of March 31 (Successor)	$ 29.6

	2023
Beginning balance as of January 1 (Predecessor)	$ 44.2
Severance accrual	4.8
Payout/Settlement	(28.2)
Other	0.3
Ending balance as of March 31 (Predecessor)	$ 21.1

Note 11: Debt

Outstanding debt balances were as follows:

	Successor March 31, 2024	Successor December 31, 2023
Notes payable – current		
Other	0.5	0.3
	$ 0.5	$ 0.3
Long-term debt		
Exit Facility	1,050.0	1,250.0
Revolving Facility	50.0	—
Other	15.0	3.6
	$ 1,115.0	$ 1,253.6
Long-term deferred financing fees	(5.3)	(1.2)
	$ 1,109.7	$ 1,252.4

DIP Facility and Exit Credit Agreement

On June 5, 2023, the Company, as borrower, entered into the credit agreement governing the Debtor's $1,250.0 debtor-in-possession term loan credit facility (DIP Facility) along with certain financial institutions party thereto, as lenders (the Lenders), and GLAS USA LLC, as administrative agent, and GLAS Americas LLC, as collateral agent (the DIP Credit Agreement), and the closing of the DIP Facility occurred on the same day. The DIP Facility provided for two tranches of term loans to be made on the closing date of the DIP Facility: (i) a $760.0 Term B-1 tranche and (ii) a $490.0 Term B-2 tranche.

On June 5, 2023, the proceeds of the DIP Facility were used, among others, to: (i) repay in full the term loan obligations, including a make-whole premium, under a $400.0 superpriority secured term loan facility (Superpriority Facility) and (ii) repay in full a $250.0 asset-based revolving credit facility (ABL Facility) and cash collateralize letters of credit thereunder. The payment for the Superpriority Facility totaled $492.3 and was comprised of $401.3 of principal and interest, $20.0 of premium, and a make-whole amount of $71.0. The payment for the ABL Facility, including an additional tranche of commitments thereunder consisting of a senior secured "last out" term facility (FILO Tranche), and the cash collateralization of the letters of credit thereunder totaled $241.0 and was comprised of $211.2 of principal and interest and $29.8 of the cash collateralized letters of credit.

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On the Effective Date (i.e., August 11, 2023), the Company, as borrower, entered into a credit agreement (the Exit Credit Agreement) governing its $ 1,250.0 senior secured term loan credit facility (the Exit Facility) along with the Lenders, GLAS USA LLC, as administrative agent, and GLAS Americas LLC, as collateral agent.

Concurrently with the closing of the Exit Facility, the Company's existing $ 1,250.0 DIP Facility was terminated and the loans outstanding under the DIP Facility were converted into loans outstanding under the Exit Facility (the Conversion), and the liens and guarantees, including all guarantees and liens granted by certain subsidiaries of the Company that are organized in the United States and in certain foreign jurisdictions, granted under the DIP Facility were automatically terminated and released.

In connection with the Conversion, the entire $1,250.0 under the Exit Facility was deemed drawn on the Effective Date. The Exit Facility will mature on August 11, 2028.

The Company may repay the loans under the Exit Facility at any time; provided that certain repayments of the loans made on or prior to February 11, 2025 with the proceeds of certain types of indebtedness must be accompanied by a premium of either 1.00% or 5.00% of the principal amount of the loans repaid. The amount of the premium is based on the type of indebtedness incurred to repay the loans. Amounts borrowed and repaid under the Exit Facility may not be reborrowed.

The obligations of the Company under the Exit Facility are guaranteed by certain subsidiaries of the Company that are organized in the United States (the Guarantors). The Exit Facility and related guarantees are secured by perfected senior security interests and liens on substantially all assets of the Company and each Guarantor. Loans under the Exit Facility bear interest at an adjusted secured overnight financing rate with a one-month tenor rate plus 7.50 percent per annum or an adjusted base rate plus 6.50 percent per annum.

The Exit Facility includes conditions precedent, representations and warranties, affirmative and negative covenants and events of default that are customary for financings of this type and size. Events of default include both credit and non-credit events such as a change of control, nonpayment of principal or interest, etc. In the event of a default, the Lenders may declare the outstanding amounts immediately due and payable.

Revolving Facility

On February 13, 2024, the Company, as borrower, entered into a credit agreement (the Revolving Credit Agreement) with certain financial institutions party thereto, as lenders, and PNC Bank, National Association, as administrative agent and collateral agent. The Revolving Credit Agreement provides for a superior-priority senior secured revolving credit facility (the Credit Facility) in an aggregate principal amount of $200.0, which includes a $50.0 letter of credit sub-limit and a $20.0 swing loan sub-limit. Borrowings under the Credit Facility may be used by the Company for (i) the Repayment (as defined below) and (ii) general corporate purposes and working capital. As of the effective date of the Revolving Credit Agreement, the Credit Facility is fully drawn.

Concurrently with the closing of the Credit Facility, the Company prepaid $200.0 (the Repayment) of outstanding principal of its senior secured term loans under the Exit Credit Agreement, by and among the Company, certain financial institutions party thereto, as lenders, GLAS USA LLC, as administrative agent, and GLAS Americas LLC, as collateral agent. The Repayment pays down a portion of the borrowings outstanding under the Exit Facility.

The Credit Facility will mature on February 13, 2027.

The obligations of the Company under the Credit Facility are guaranteed by certain subsidiaries of the Company that are organized in the United States (the Guarantors). The Credit Facility and related guarantees are secured by perfected super-priority senior security interests and liens on substantially all assets of the Company and each Guarantor.

Loans under the Credit Facility bear interest at an adjusted secured overnight financing rate plus 4.00 percent per annum or an adjusted base rate plus 3.00 percent per annum.

The Credit Facility includes conditions precedent, representations and warranties, affirmative and negative covenants and events of default that are customary for financings of this type and size.

The cash flows related to debt borrowings and repayments were as follows:

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	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Revolving credit facility borrowings	$ 200.0	$ 102.7
Revolving credit facility repayments	$ (150.0)	$ (80.0)
Other debt borrowings		
International short-term uncommitted lines of credit borrowings	$ 0.2	$ 2.3
Other debt repayments		
Payments on Exit Financing	$ (200.0)	$ —
Payments on Term Loan B Facility - USD under the Credit Agreement	—	(1.3)
Payments on Term Loan B Facility - Euro under the Credit Agreement	—	(0.3)
International short-term uncommitted lines of credit and other repayments	(0.1)	(0.5)
	$ (200.1)	$ (2.1)

Below is a summary of financing information:

Financing Facilities	Interest Rate Index and Margin	Maturity/Termination Dates	Initial Term (Years)
Exit Facility[i]	SOFR + 7.50%	August 2028	5.0
Revolving Credit Facility - Term Benchmark Advances[ii]	SOFR + 4.00%	February 2027	3.0

[i] SOFR with a floor of 4.0 percent
[ii] SOFR with a floor of 1.5 percent

Line of Credit

As of March 31, 2024, the Company had various international short-term lines of credit with borrowing limits aggregating to $4.8. There were no outstanding borrowings on the short-term lines of credit as of March 31, 2024 or December 31, 2023. Short-term lines mature in less than one year and are used to support working capital, vendor financing and foreign exchange derivatives.

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Note 12: Equity

The following tables present changes in shareholders' equity attributable to Diebold Nixdorf, Incorporated and the noncontrolling interests:

	Common Shares	Additional Capital	Retained Earnings	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Equity Warrants	Total Diebold Nixdorf, Incorporated Shareholders' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2023 (Successor)	$ 0.4	$ 1,038.7	$ 17.1	$ —	$ 7.6	$ —	$ 1,063.8	$ 15.4	$ 1,079.2
Net loss	—	—	(14.6)	—	—	—	(14.6)	0.6	(14.0)
Other comprehensive loss	—	—	—	—	(38.0)	—	(38.0)	—	(38.0)
Share-based compensation expense	—	1.9	—	—	—	—	1.9	—	1.9
Distribution to noncontrolling interest holders, net	—	—	—	—	—	—	—	(3.4)	(3.4)
Balance, March 31, 2024 (Successor)	$ 0.4	$ 1,040.6	$ 2.5	$ —	$ (30.4)	$ —	$ 1,013.1	$ 12.6	$ 1,025.7

	Common Shares	Additional Capital	Accumulated Deficit	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Equity Warrants	Total Diebold Nixdorf, Incorporated Shareholders' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2022 (Predecessor)	$ 119.8	$ 831.5	$ (1,406.7)	$ (585.6)	$ (360.0)	$ 20.1	$ (1,380.9)	$ 9.8	$ (1,371.1)
Net loss	—	—	(111.1)	—	—	—	(111.1)	(0.4)	(111.5)
Other comprehensive income	—	—	—	—	6.3	—	6.3	2.2	8.5
Share-based compensation issued	1.0	(1.0)	—	—	—	—	—	—	—
Share-based compensation expense	—	1.3	—	—	—	—	1.3	—	1.3
Treasury shares	—	—	—	(0.8)	—	—	(0.8)	—	(0.8)
Balance, March 31, 2023 (Predecessor)	$ 120.8	$ 831.8	$ (1,517.8)	$ (586.4)	$ (353.7)	$ 20.1	$ (1,485.2)	$ 11.6	$ (1,473.6)

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Note 13: Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in the Company's accumulated other comprehensive income (loss) (AOCI), net of tax, by component for 2024:

	Translation	Foreign Currency Hedges	Interest Rate Hedges	Pension and Other Post-retirement Benefits	Other	Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2024 (Successor)	$ 14.2	$ (0.1)	$ —	$ (6.1)	$ (0.4)	$ 7.6
Other comprehensive income (loss) before reclassifications [1]	(43.0)	—	—	—	—	(43.0)
Amounts reclassified from AOCI	—	—	—	5.0	—	5.0
Net current-period other comprehensive income (loss)	(43.0)	—	—	5.0	—	(38.0)
Balance at March 31, 2024 (Successor)	$ (28.8)	$ (0.1)	$ —	$ (1.1)	$ (0.4)	$ (30.4)

[1] Other comprehensive income (loss) before reclassifications within the translation component excludes a nominal translation amount attributable to noncontrolling interests.

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The following table summarizes the changes in the Company's AOCI, net of tax, by component for 2023:

	Translation	Foreign Currency Hedges	Interest Rate Hedges	Pension and Other Post-retirement Benefits	Other	Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2023 (Predecessor)	$ (352.1)	$ (1.9)	$ 5.3	$ (12.6)	$ 1.3	$ (360.0)
Other comprehensive income (loss) before reclassifications [1]	4.7	—	0.3	—	—	5.0
Amounts reclassified from AOCI	—	—	—	1.3	—	1.3
Net current-period other comprehensive income (loss)	4.7	—	0.3	1.3	—	6.3
Balance at March 31, 2023 (Predecessor)	$ (347.4)	$ (1.9)	$ 5.6	$ (11.3)	$ 1.3	$ (353.7)

[1] Other comprehensive income (loss) before reclassifications within the translation component excludes $(2.2) of translation attributable to noncontrolling interests.

The following table summarizes the details about the amounts reclassified from AOCI:

	Successor	Predecessor	
	Three months ended March 31, 2024	Three months ended March 31, 2023	Affected Line Item on the Statement of Operations
Pension and post-retirement benefits:			
Net actuarial gain (loss) amortized (net of tax of $(2.1) in the Successor Period and $0.5 in the Predecessor Period, respectively)	$ 5.0	$ 1.3	Miscellaneous, net

Note 14: Benefit Plans

Qualified Retirement Benefits. The Company has a qualified retirement plan covering certain U.S. employees that has been closed to new participants since 2003 and frozen since December 2013.

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The Company has a number of non-U.S. defined benefit plans covering eligible employees located predominately in Europe, the most significant of which are German plans. Benefits for these plans are based primarily on each employee's final salary, with periodic adjustments for inflation. The obligations in Germany consist of employer funded pension plans and deferred compensation plans. The employer funded pension plans are based upon direct performance-related commitments in terms of defined contribution plans. Each beneficiary receives, depending on individual pay-scale grouping, contractual classification, or income level, different yearly contributions. The contribution is multiplied by an age factor appropriate to the respective pension plan and credited to the individual retirement account of the employee. The retirement accounts may be used up at retirement by either a one-time lump-sum payout or payments of up to ten years.

The Company has other defined benefit plans outside the U.S., which have not been mentioned here due to materiality.

Supplemental Executive Retirement Benefits. The Company has non-qualified pension plans in the U.S. to provide supplemental retirement benefits to certain officers, which have also been frozen since December 2013. Benefits are payable at retirement based upon a percentage of the participant's compensation, as defined.

Other Benefits. In addition to providing retirement benefits, the Company provides post-retirement healthcare and life insurance benefits (referred to as other benefits) for certain retired employees. Retired eligible employees in the U.S. may be entitled to these benefits based upon years of service with the Company, age at retirement and collective bargaining agreements. There are no plan assets and the Company funds the benefits as the claims are paid. The post-retirement benefit obligation was determined by application of the terms of medical and life insurance plans together with relevant actuarial assumptions and healthcare cost trend rates.

The following tables set forth the net periodic benefit cost for the Company's U.S. defined benefit pension plans:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Components of net periodic benefit cost		
Interest cost	$ 4.8	$ 4.9
Expected return on plan assets	(4.6)	(4.5)
Recognized net actuarial loss	—	0.2
Net periodic pension benefit cost	$ 0.2	$ 0.6

The following tables set forth the net periodic benefit cost for the Company's Non-U.S. defined benefit pension plans:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Components of net periodic benefit cost		
Service cost	$ 1.8	$ 1.6
Interest cost	2.6	2.9
Expected return on plan assets	(3.5)	(3.4)
Recognized net actuarial gain	—	(0.9)
Amortization of prior service cost	—	(0.2)
Net periodic pension benefit cost	$ 0.9	$ —

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The following tables set forth the net periodic benefit cost for the Company's other benefit plans during the period:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Components of net periodic benefit cost		
Interest cost	$ 0.1	$ 0.1
Recognized net actuarial gain	—	(0.1)
Net periodic pension benefit cost	$ 0.1	$ —

Contributions and Reimbursements

For the three months ended March 31, 2024 (Successor) and 2023 (Predecessor), there were contributions of $22.2 and $17.5, respectively, made to the qualified and non-qualified pension plans.

The Company received reimbursements of $19.2 and $22.8 for certain benefits paid from its German plan trustee during March 2024 (Successor) and March 2023 (Predecessor), respectively.

Note 15: Fair Value of Assets and Liabilities

Assets and liabilities subject to fair value measurement by fair value level are recorded as follows:

		Successor					
		March 31, 2024			December 31, 2023		
			Fair Value Measurements Using			Fair Value Measurements Using	
	Classification on condensed consolidated Balance Sheets	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Assets							
Certificates of deposit	Short-term investments	$ 19.2	$ 19.2	$ —	$ 13.4	$ 13.4	$ —
Assets held in rabbi trusts	Securities and other investments	3.0	3.0	—	2.9	2.9	—
Total		$ 22.2	$ 22.2	$ —	$ 16.3	$ 16.3	$ —
Liabilities							
Foreign exchange forward contracts	Other current liabilities	$ 0.4	$ —	$ 0.4	$ 0.4	$ —	$ 0.4
Deferred compensation	Other liabilities	3.0	3.0	—	2.9	2.9	—
Total		$ 3.4	$ 3.0	$ 0.4	$ 3.3	$ 2.9	$ 0.4

The Company uses the end of period when determining the timing of transfers between levels. During the Successor and Predecessor Periods, there were no transfers between levels.

The carrying amount of the Company's Revolving Credit Facility approximates fair value. The remaining debt had a carrying value of $1,065.5 and fair value of $1,110.4 at March 31, 2024, and a carrying value of $1,253.9 and fair value of $1,285.5 at December 31, 2023.

Refer to Note 11 for further details surrounding the Company's debt as of March 31, 2024 compared to December 31, 2023.

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Note 16: Commitments and Contingencies

Indirect Tax Contingencies

The Company accrues for indirect tax matters when management believes that a loss is probable and the amounts can be reasonably estimated, while contingent gains are recognized only when realized. In the event any losses are sustained in excess of accruals, they are charged against income. In evaluating indirect tax matters, management takes into consideration factors such as historical experience with matters of similar nature, specific facts and circumstances and the likelihood of prevailing. Management evaluates and updates accruals as matters progress over time. It is reasonably possible that some of the matters for which accruals have not been established could be decided unfavorably to the Company and could require recognizing future expenditures. Also, statutes of limitations could expire without the Company paying the taxes for matters for which accruals have been established, which could result in the recognition of future gains upon reversal of accruals at that time.

At March 31, 2024, the Company was a party to several routine indirect tax claims from various taxing authorities globally that were incurred in the normal course of business, which neither individually nor in the aggregate are considered material by management in relation to the Company's financial position or results of operations. In management's opinion, the condensed consolidated financial statements would not be materially affected by the outcome of these indirect tax claims and/or proceedings or asserted claims.

A loss contingency is reasonably possible if it has a more than remote but less than probable chance of occurring. Although management believes the Company has valid defenses with respect to its indirect tax positions, it is reasonably possible that a loss could occur in excess of the estimated liabilities. The Company estimated the aggregate risk at March 31, 2024 to be up to $88.8 for its material indirect tax matters. The aggregate risk related to indirect taxes is adjusted as the applicable statutes of limitations expire.

Legal Contingencies

At March 31, 2024, the Company was a party to several lawsuits that were incurred in the normal course of business, which neither individually nor in the aggregate were considered material by management in relation to the Company's financial position or results of operations. In management's opinion, the Company's condensed consolidated financial statements would not be materially affected by the outcome of these legal proceedings or asserted claims.

In addition to these normal course of business litigation matters, the Company continues to be a party to the proceedings that began in the Predecessor Period described below:

Diebold Nixdorf Holding Germany GmbH, formerly Diebold Nixdorf Holding Germany Inc. & Co. KGaA (Diebold KGaA), is a party to two separate appraisal proceedings (Spruchverfahren) in connection with the purchase of all shares in its former listed subsidiary, Diebold Nixdorf AG. The first appraisal proceeding, which relates to the Domination and Profit Loss Transfer Agreement (DPLTA) entered into by Diebold KGaA and former Diebold Nixdorf AG, which became effective on February 17, 2017, is pending at the Higher Regional Court (Oberlandesgericht) of Düsseldorf (Germany) as the court of appeal. The DPLTA appraisal proceeding was filed by minority shareholders of Diebold Nixdorf AG challenging the adequacy of both the cash exit compensation of €55.02 per Diebold Nixdorf AG share (of which 6.9 million shares were then outstanding) and the annual recurring compensation of €2.82 per Diebold Nixdorf AG share offered in connection with the DPLTA.

The second appraisal proceeding relates to the cash merger squeeze-out of minority shareholders of Diebold Nixdorf AG in 2019 and is currently pending at the same Chamber for Commercial Matters (Kammer für Handelssachen) at the District Court (Landgericht) of Dortmund (Germany) that was originally competent for the DPLTA appraisal proceedings. The squeeze-out appraisal proceeding was filed by former minority shareholders of Diebold Nixdorf AG challenging the adequacy of the cash exit compensation of €54.80 per Diebold Nixdorf AG share (of which 1.4 million shares were then outstanding) in connection with the merger squeeze-out.

In both appraisal proceedings, a court ruling would apply to all Diebold Nixdorf AG shares outstanding at the time when the DPLTA or the merger squeeze-out, respectively, became effective. Any cash compensation received by former Diebold Nixdorf AG shareholders in connection with the merger squeeze-out would be netted with any higher cash compensation such

shareholder may still claim in connection with the DPLTA appraisal proceeding. The District Court of Dortmund dismissed in 2022 all claims to increase the cash compensation and the annual recurring compensation in the DPLTA appraisal proceeding and rejected in 2023 all claims to increase the cash compensation in the merger squeeze-out appraisal proceeding. These first instance decisions, however, are not final as some of the respective plaintiffs filed appeals in both, the DPLTA appraisal proceeding and the squeeze-out appraisal proceeding.

The Company believes that the compensation offered in connection with the DPLTA and the merger squeeze-out was in both cases fair and that the decisions of the District Court of Dortmund in the DPLTA and merger squeeze-out appraisal proceedings validate its position. German courts often adjudicate increases of the cash compensation to plaintiffs in varying amounts in connection with German appraisal proceedings. Therefore, the Company cannot rule out that a court may increase the cash compensation in these appraisal proceedings. The Company, however, is convinced that its defense in both appraisal proceedings is supported by strong sets of facts and the Company will continue to vigorously defend itself in these matters.

Related legal fees are expensed as incurred.

Bank Guarantees, Standby Letters of Credit, and Surety Bonds

In the ordinary course of business, the Company may issue performance guarantees on behalf of its subsidiaries to certain customers and other parties. Some of those guarantees may be backed by standby letters of credit, surety bonds, or similar instruments. In general, under the guarantees, the Company would be obligated to perform, or cause performance, over the term of the underlying contract in the event of an unexcused, uncured breach by its subsidiary, or some other specified triggering event, in each case as defined by the applicable guarantee. At March 31, 2024, the maximum future contractual obligations relative to these various guarantees totaled $113.3, of which $23.0 represented standby letters of credit to insurance providers, and no associated liability was recorded. At December 31, 2023, the maximum future payment obligations relative to these various guarantees totaled $117.1, of which $23.0 represented standby letters of credit to insurance providers, and no associated liability was recorded.

Restricted Cash

The following table provides a reconciliation of Cash, cash equivalents and Short-term and Long-term restricted cash reporting within the Company's Condensed Consolidated Balance Sheets and in the Condensed Consolidated Statements of Cash Flows:

	Successor	
	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 281.9	$ 550.2
Professional fee escrow	0.2	0.2
Bank collateral guarantees	97.4	32.5
Pension collateral guarantees	8.6	9.4
Restricted cash and cash equivalents	106.2	42.1
Total cash, cash equivalents, and restricted cash	$ 388.1	$ 592.3

The balance of restricted cash at March 31, 2024 primarily relates to requirements of the Revolving Credit Agreement.

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Note 17: Revenue Recognition

A performance obligation is a contractual promise to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and is recognized as revenue when (point in time) or as (over time) the performance obligation is satisfied. The following table represents the percentage of revenue recognized either at a point in time or over time:

	Successor		Predecessor	
Timing of revenue recognition	**Three months ended March 31, 2024**		**Three months ended March 31, 2023**	
Products transferred at a point in time	41	%	40	%
Products and services transferred over time	59	%	60	%
Net sales	100	%	100	%

Contract balances

Contract assets are the rights to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditional on something other than the passage of time. Contract assets of the Company primarily relate to the Company's rights to consideration for goods shipped and services provided but not contractually billable at the reporting date.

The contract assets are reclassified into the receivables balance when the rights to receive payment become unconditional. Contract liabilities are recorded for any services billed to customers and not yet recognizable if the contract period has commenced or for the amount collected from customers in advance of the contract period commencing. In addition, contract liabilities are recorded as advanced payments for products and other deliverables that are billed to and collected from customers prior to revenue being recognizable. Contract assets are minimal for the periods presented.

The following table provides information about receivables and deferred revenue, which represent contract liabilities from contracts with customers:

Contract balance information	**Trade receivables**	**Contract liabilities**
Balance at December 31, 2023 (Successor)	$ 721.8	$ 376.2
Balance at March 31, 2024 (Successor)	$ 660.7	$ 381.5

There have been $4.2 and $7.2 of impairment losses recognized as bad debt related to receivables or contract assets arising from the Company's contracts with customers during the three months ended March 31, 2024 (Successor) and 2023 (Predecessor), respectively.

As of December 31, 2023, the Company had $376.2 of unrecognized deferred revenue constituting the remaining performance obligations that are unsatisfied (or partially unsatisfied). During the three months ended March 31, 2024, the Company recognized revenue of $163.6 related to the Company's deferred revenue balance at December 31, 2023.

Transaction price allocated to the remaining performance obligations

As of March 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $1,400. The Company generally expects to recognize revenue on the remaining performance obligations over the next twelve months. The Company enters into service agreements with cancellable terms after a certain period without penalty. Unsatisfied obligations reflect only the obligation during the initial term. The Company applies the practical expedient in ASC paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

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Note 18: Finance Lease Receivables

Under certain circumstances, the Company provides financing arrangements to customers that are largely classified and accounted for as sales-type leases. The Company records interest income and any fees or costs related to financing receivables using the effective interest method over the term of the lease.

The following table presents the components of finance lease receivables:

	Successor	
	March 31, 2024	December 31, 2023
Gross minimum lease receivables	$ 23.1	$ 24.4
Allowance for credit losses	(0.1)	(0.2)
	23.0	24.2
Less:		
Unearned interest income	(0.8)	(0.9)
Total	$ 22.2	$ 23.3

Future minimum payments due from customers under finance lease receivables as of March 31, 2024 are as follows:

2024	$ 6.2
2025	5.4
2026	3.8
2027	2.8
2028	2.4
Thereafter	2.5
	$ 23.1

There were no significant changes in provision for credit losses, recoveries and write-offs during the three months ended March 31, 2024 (Successor) or 2023 (Predecessor).

Note 19: Segment Information

The Company's reportable operating segments are as follows: Banking and Retail. Segment operating profit as disclosed herein is consistent with the segment profit or loss measure used by the CODM and does not include corporate charges, amortization of acquired intangible assets, amortization of intangible assets recorded with fresh start accounting, asset impairment, restructuring and transformation charges, the results of the held-for-sale European retail business, or other non-routine, unusual or infrequently occurring items, as the CODM does not regularly review and use such financial measures to make decisions, allocate resources and assess performance.

Segment revenue represents revenues from sales to external customers. Segment operating profit is defined as revenues less expenses directly attributable to the segments. The Company does not allocate to its segments certain operating expenses which are managed at the headquarters level; that are not used in the management of the segments, not segment-specific, and impractical to allocate. Segment operating profit reconciles to consolidated Loss before taxes by deducting items that are not attributed to the segments and which are managed independently of segment results. Assets are not allocated to segments, and thus are not included in the assessment of segment performance, and consequently, we do not disclose total assets and depreciation and amortization expense by reportable operating segment.

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The following tables present information regarding the Company's segment performance and provide a reconciliation between segment operating profit and the consolidated Loss before taxes:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Net sales summary by segment		
Banking	$ 648.8	$ 592.9
Retail	246.6	260.4
Held for sale non-core European retail business[7]	—	4.8
Total revenue	$ 895.4	$ 858.1
Segment operating profit		
Banking	$ 116.4	$ 79.9
Retail	35.7	39.1
Total segment operating profit	$ 152.1	$ 119.0
Corporate charges not allocated to segments[1]	$ (62.9)	$ (69.0)
Impairment of assets[2]	—	(0.9)
Amortization of fair value assets[3]	(22.9)	(17.7)
Restructuring and transformation expenses[4]	(36.7)	(15.0)
Refinancing related costs[5]	(6.9)	(14.1)
Net non-routine income (expense)[6]	1.1	(0.7)
Held for sale non-core European retail business[7]	—	(3.7)
	(128.3)	(121.1)
Operating profit (loss)	23.8	(2.1)
Other income (expense)	(38.0)	(88.2)
Loss before taxes	$ (14.2)	$ (90.3)

(1) Corporate charges not allocated to segments include headquarter-based costs associated primarily with human resources, finance, IT and legal that are not directly attributable to a particular segment and are separately assessed by the CODM for purposes of making decisions, assessing performance and allocating resources.
(2) Impairment of $(0.9) in the first quarter of 2023 relates to leased European facilities closures.
(3) The amortization of purchase accounting intangible assets and the depreciation and amortization of assets resulting from Fresh Start accounting are excluded from the segment results used by the CODM to make decisions, allocate resources or assess performance.
(4) Refer to Note 10 for further information regarding restructurings. Consistent with the historical reportable segment structure, restructuring and transformation costs are not assigned to the segments, and are separately analyzed by the CODM.
(5) Refinancing related costs are fees earned by our advisors that have been accounted for as period expense.
(6) Net non-routine expense consists of items that the Company has determined are non-routine in nature and not allocated to the reportable operating segments as they are not included in the measure used by the CODM to make decisions, allocate resources and assess performance.
(7) Held for sale non-core European retail business represents the revenue and operating profit of a business that had been classified as held for sale in the Predecessor Period and sold in September 2023.

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The following table presents information regarding the Company's segment net sales by service and product solution:

	Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023
Segments		
Banking		
Services	$ 386.6	$ 381.1
Products	262.2	211.8
Total Banking	648.8	592.9
Retail		
Services	138.2	133.2
Products	108.4	127.2
Total Retail	246.6	260.4
Held for sale non-core European retail business		
Services	—	2.1
Products	—	2.7
Total revenue	$ 895.4	$ 858.1

Note 20: Cloud Implementation

At March 31, 2024, the Company had a net book value of capitalized cloud implementation costs of $16.7, which relates to a combination of the distribution subsidiary ERP and corporate tools to support business operations.

Amortization of cloud implementation fees are totaled $1.8 and $0.8 in the three months ended March 31, 2024 (Successor) and 2023 (Predecessor), respectively. These fees are expensed over the term of the cloud computing arrangement, and the expense is required to be recognized in the same line item in the income statement as the associated hosting service expenses.

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Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Management's discussion and analysis of financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and accompanying notes that appear within this Quarterly Report on Form 10-Q.

Introduction

The Company automates, digitizes and transforms the way people bank and shop. The Company's integrated solutions connect digital and physical channels conveniently, securely and efficiently for millions of consumers every day. As a partner to the majority of the world's top 100 financial institutions and top 25 global retailers, the Company's integrated solutions connect digital and physical channels conveniently, securely and efficiently for millions of consumers each day. The Company has a presence in more than 100 countries with approximately 21,000 employees worldwide.

Continuous Improvement

The Company seeks to continually enhance the consumer experience at bank and retail locations while streamlining cost structures and business processes for its customers through the smart integration of hardware, software and services. The Company partners with other leading technology companies and regularly refines its research and development (R&D) spend to support a better transaction experience. In addition, the Company is focused on consistently innovating its solutions while simultaneously streamlining its cost structures and business processes.

SERVICES AND PRODUCT SOLUTIONS

The Company offers a broad portfolio of solutions designed to automate, digitize and transform the way people bank and shop. As a result, the Company's operating structure is focused on its two customer segments — Banking and Retail. Leveraging a broad portfolio of solutions, the Company offers customers the flexibility to purchase the combination of services and products embedded with software that drive the most value to their businesses.

The Company continues to drive higher availability of its devices deployed worldwide through continuously improved processes and the increasing customer adoption of DN AllConnect[SM] Data Engine (ACDE), which enables a more data-driven and predictive approach to services. As of March 31, 2024, more than 250,000 of the company's Banking and Retail devices were connected to ACDE. An instrumental solution for Diebold Nixdorf and its customers, ACDE is a key enabler to providing a higher-performing self-service channel, delivering a better consumer experience and driving loyalty while optimizing operational efficiencies for both customers and the Company.

Banking

The Company provides integrated solutions for financial institutions of all sizes designed to help drive operational efficiencies, differentiate the consumer experience, grow revenue and manage risk.

Banking Services

Services represents the largest operational component of the Company and includes product-related services, implementation services and managed services. Product-related services incidents are managed through remote service capabilities or an on-site visit. The portfolio includes contracted maintenance, preventive maintenance, "on-demand" maintenance and total implementation services. Implementation services help our customers effectively respond to changing customer demands and includes scalable solutions based on globally standardized processes and tools, a single point of contact and reliable local expertise. Managed services and outsourcing consists of managing the end-to-end business processes and technology integration. Our integrated business solutions include self-service fleet management, branch life-cycle management and ATM as-a-service capabilities.

The Company's DN Vynamic software is the first end-to-end software portfolio in the banking marketplace designed to simplify and enhance the consumer experience. This platform is cloud-native, provides new capabilities and supports advanced transactions via open application program interface (API). In addition, the Company's software suite simplifies operations by eliminating the traditional focus on internal silos and enabling inter-connected partnerships between financial institutions and payment providers. Through its open approach, DN Vynamic brings together legacy systems, enabling new levels of connectivity, integration, and interoperability. The Company's software suite provides a shared analytic and transaction engine. The DN Vynamic platform can generate new insights to enhance operations; prioritizing consumer preferences rather than technology.

Banking Products

The banking portfolio of products consists of cash recyclers and dispensers, intelligent deposit terminals, teller automation, and kiosk technologies. As financial institutions seek to expand the self-service transaction set and reduce operating costs by shrinking their physical branch footprint, the Company offers the DN Series™ family of self-service solutions.

DN Series is the culmination of several years of investment in consumer research, design and engineering resources. Key benefits and features of DN Series include:

- superior availability and performance;
- next-generation cash recycling technology;
- full integration with the DN Vynamic™ software suite;
- a modular and upgradeable design, which enables customers to respond more quickly to changing customer demands;
- higher note capacity and processing power;
- improved security safeguards to protect customers against emerging physical, data and cyber threats;
- physical footprint as much as 40% less vs. competing ATMs in certain models;
- made of recycled and recyclable materials and is 25% lighter than most traditional ATMs, reducing CO_2 emissions both in the manufacturing and transportation of components and terminals;
- uses LED technology and highly efficient electrical systems, resulting in up to 50% power savings versus traditional ATMs; and
- increased branding options for financial institutions.

Retail

The Company's comprehensive portfolio of retail services and products improves the checkout process for retailers while enhancing shopping experiences for consumers.

Retail Services

Diebold Nixdorf AllConnect Services® for retailers include maintenance and availability services to continuously optimize the performance and total cost of ownership of retail touchpoints, such as checkout, self-service and mobile devices, as well as critical store infrastructure. The solutions portfolio includes: implementation services to expand, modernize or upgrade store concepts; maintenance services for on-site incident resolution and restoration of multivendor solutions; support services for on-demand service desk support; operations services for remote monitoring of stationary and mobile endpoint hardware; as well as application services for remote monitoring of multivendor software and planned software deployments and data moves. As a single point of contact, service personnel plan and supervise store openings, renewals and transformation projects, with attention to local details and customers' global IT infrastructure.

The DN Vynamic software suite for retailers provides a comprehensive, modular and open solution ranging from the in-store check-out to solutions across multiple channels that improve end-to-end store processes and facilitate continuous consumer engagements in support of a digital ecosystem. This includes click & collect, reserve & collect, in-store ordering and return-to-store processes across the retailers' physical and digital sales channels. Operational data

from a number of sources, such as enterprise resource planning (ERP), POS, store systems and customer relationship management systems (CRM), may be integrated across all customer connection points to create seamless and differentiated consumer experiences.

Retail Products

The retail product portfolio includes self-checkout (SCO) products and ordering kiosks facilitate a seamless and efficient transaction experience. In 2023, the Company introduced the DN Series™ EASY ONE, the newest member of its DN Series EASY family of self-service solutions. The DN Series EASY ONE is a revolutionary checkout platform built to transform the assisted and self-service shopping experiences, improve store efficiency and reduce retailer total cost of ownership. Designed for retail environments where maximum flexibility is required, the DN Series EASY ONE can be configured for assisted, semi-assisted or full self-service checkout while offering tremendous options for peripherals and mounting. The DN Series EASY MAX Kiosk automates routine tasks and in-store transactions, offers order-taking abilities, particularly at quick service restaurants (QSRs) and fast casual restaurants and presents functionality that furthers store automation and digitalization. The retail product portfolio also includes modular and integrated, “all-in-one” point-of-sale (POS) and self-service terminals that meet changing consumer shopping journeys, as well as retailers’ and store staff’s automation requirements. Supplementing the POS system is a broad range of peripherals, including printers, scales and mobile scanners, as well as the cash management portfolio, which offers a wide range of banknote and coin processing systems. Additionally, our retail software solutions are inclusive of a cloud native software platform which is hardware agnostic and multi-vendor capable.

Business Drivers

The business drivers of the Company's future performance include, but are not limited to:

- demand for self-service and automation from Banking and Retail customers driven by the evolution of consumer behavior;
- demand for cost efficiencies and better usage of real estate for bank branches and retail stores as they transform their businesses to meet the needs of their customers while facing macro-economic challenges;
- demand for services on distributed IT assets such as ATMs, POS and SCO, including managed services and professional services;
- timing of product upgrades and/or replacement cycles for ATMs, POS and SCO;
- demand for software products and professional services;
- demand for security products and services for the financial, retail and commercial sectors; and
- demand for innovative technology in connection with the Company's strategy.

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Results of Operations

The following discussion of the Company's financial condition and results of operations provides information that will assist in understanding the financial statements and the changes in certain key items in those financial statements. This discussion focuses on comparison of Successor results for the three month period ending March 31, 2024 compared to the Predecessor results for the period ending March 31, 2023. The following discussion should be read in conjunction with the condensed consolidated financial statements and the accompanying notes that appear elsewhere in this Quarterly Report on Form 10-Q.

Net Sales

	Successor	Predecessor	Predecessor			Successor	Predecessor
	Three months ended March 31, 2024	Three months ended March 31, 2023	2023 in Constant Currency[1]	% Change	% Change in CC [1]	Percent of Total Net Sales for the Three months ended March 31, 2024	Percent of Total Net Sales for the Three months ended March 31, 2023
Segments							
Banking							
Services	$ 386.6	$ 381.1	$ 385.0	1.4	0.4	43.2	44.4
Products	262.2	211.8	213.4	23.8	22.9	29.3	24.7
Total Banking	648.8	592.9	598.4	9.4	8.4	72.5	69.1
Retail							
Services	138.2	135.3	137.5	2.1	0.5	15.4	15.8
Products	108.4	129.9	132.2	(16.6)	(18.0)	12.1	15.1
Total Retail	246.6	265.2	269.7	(7.0)	(8.6)	27.5	30.9
Total Net Sales	$ 895.4	$ 858.1	$ 868.1	4.3	3.1	100.0	100.0

[1] The Company calculates constant currency by translating the prior-year period results at the current year exchange rate.

The increase in net sales of 4.3 percent was primarily due to price increases, mix of unit sales and a $9.7 PIS/COFIN tax recovery in Brazil in the Banking segments, offset by declines in POS sales in the Retail segment. The increase in net sales was also partially attributable to increases in Services revenues in both segments.

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Gross Profit

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023	% Change
Gross profit - services	$ 116.1	$ 153.4	(24.3)
Gross profit - products	92.5	55.9	65.5
Total gross profit	$ 208.6	$ 209.3	(0.3)
Gross margin - services	22.1 %	29.7 %	
Gross margin - products	25.0 %	16.4 %	
Total gross margin	23.3 %	24.4 %	

Service margins were adversely impacted in the Successor Period by higher investments in resources and service infrastructure to ensure customer satisfaction.

Product gross profit performance was driven by product sales unit volume at favorable pricing, as well as the PIS/COFIN tax recovery in Brazil. This was further supplemented by favorable logistical costs and normalization of certain raw material costs, most notably semiconductor chips.

Operating Expenses

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023	% Change
Selling and administrative expense	$ 161.6	$ 183.8	(12.1)
Research, development and engineering expense	24.2	26.4	(8.3)
(Gain) loss on sale of assets, net	(1.0)	0.3	N/M
Impairment of assets	—	0.9	(100.0)
Total operating expenses	$ 184.8	$ 211.4	(12.6)
Percent of net sales	20.6 %	24.6 %	

Selling and administrative expenses in both periods were driven by spending related to restructuring and transformational initiatives. The decline in the three months ended March 31, 2024 compared to the three months ended March 31, 2023 is a result of spend management initiatives.

Research and development costs continues to decrease as a result of ongoing costs savings initiatives as well as project prioritization and rationalization.

(Gain) loss on sale of assets, net in the Successor period is the result of sales of fleet vehicles in the US.

Impairment for certain facilities leases in the U.K. as a result of an initiative to streamline administrative office space usage was recognized in the Predecessor period.

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Operating Profit (Loss)

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023	% Change
Operating profit (loss)	$ 23.8	$ (2.1)	N/M
Operating margin	2.7 %	(0.2) %	

Other Income (Expense)

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023	% Change
Interest income	$ 4.2	$ 1.7	147.1
Interest expense	(43.6)	(81.9)	46.8
Foreign exchange gain (loss), net	0.4	(10.6)	103.8
Miscellaneous gain, net	1.0	2.6	(61.5)
Other income (expense), net	$ (38.0)	$ (88.2)	56.9

The increase in interest income in the Successor period compared to the Predecessor period was driven by 15.6 percent increase in investment balance as well as increases in variable rates. Refer to Note 7 to our Condensed Consolidated Financial Statements for further detail.

Interest expense decreased as a result of the 58.2 percent decrease in debt balance somewhat offset by increasing variable interest rates. Refer to Note 11 to our condensed consolidated financial statements for further detail.

Foreign exchange gain (loss), net includes realized gains and losses, primarily related to the favorable exposures in the Chilean Peso, Colombian Peso and Thai Baht and offset by Euro and Canadian dollar exposures, which were unfavorable during the first quarter of 2024.

Miscellaneous gain, net was primarily driven by recognition of non-service pension credits, the most significant of which are in Germany.

Net Income (Loss)

	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023	% Change
Net loss	$ (14.0)	$ (111.5)	(87.4)
Percent of net sales	(1.6) %	(13.0) %	
Effective tax rate	21.8 %	(23.4) %	

Changes in net (loss) income are a result of the fluctuations outlined in the previous sections and impacted by income tax expense. Refer to Note 5 to our condensed consolidated financial statements for additional information regarding tax expense.

Segment Operating Profit Summary

The following tables represent information regarding the segment operating profit metrics, which exclude the impact of restructuring and transformation, non-routine charges, and the held for sale non-core European retail business (sold in September 2023) because these items are not assigned to a segment in any of the Company's reporting metrics, including those used by the Chief Operating Decision Maker for assessing performance and allocating resources. Refer to Note 19 to our condensed consolidated financial statements for further details regarding the determination of reportable segments and the reconciliation between segment operating profit and consolidated operating profit.

	Successor	Predecessor	
Banking:	Three months ended March 31, 2024	Three months ended March 31, 2023	% Change
Net sales	$ 648.8	$ 592.9	9.4
Segment operating profit	$ 116.4	$ 79.9	45.7
Segment operating profit margin	17.9 %	13.5 %	

Banking net sales were favorable in the Successor Period due to price increases, mix of unit sales, as well as a PIS/COFIN tax recovery in Brazil. Operating profit and margin increased as a result of price and cost actions and spend management initiatives resulting in lower operating expenses.

	Successor	Predecessor	
Retail	Three months ended March 31, 2024	Three months ended March 31, 2023	% Change
Net sales	$ 246.6	$ 260.4	(5.3)
Segment operating profit	$ 35.7	$ 39.1	(8.7)
Segment operating profit margin	14.5 %	15.0 %	

Retail segment operating profit was driven by sales volume of SCO units and normalization of supply chain logistics and input costs.

Liquidity and Capital Resources

On June 5, 2023, the Company entered into the DIP Credit Agreement, which provided the $1,250.0 DIP Facility. The proceeds of the DIP Facility were used, among others, to: (i) repay in full the term loan obligations, including a make-whole premium, under the Superpriority Facility and (ii) repay in full the ABL Facility and cash collateralize letters of credit thereunder. The payment for the Superpriorty Facility totaled $492.3 and was comprised of $401.3 of principal and interest, $20.0 of premium, and a make whole amount of $71.0. The payment for the ABL Facility, including the FILO Tranche, and the cash collateralization of letters of credit thereunder totaled $241.0 and was comprised of $211.2 of principal and interest and $29.8 of cash collateralized letters of credit.

On the Effective Date, the Company’s existing the DIP Facility was terminated and the loans outstanding under the DIP Facility were converted into loans outstanding under the Exit Facility (the Conversion), and the liens and guarantees, including all guarantees and liens granted by certain subsidiaries of the Company that are organized in the United States and in certain foreign jurisdictions, granted under the DIP Facility were automatically terminated and released.

In connection with the Conversion, the entire $1,250.0 under the Exit Facility was deemed drawn on the Effective Date.

The Company may repay the loans under the Exit Facility at any time; provided that certain repayments of the loans made on or prior to February 11, 2025 with the proceeds of certain types of indebtedness must be accompanied by a premium of either 1.00% or 5.00% of the principal amount of the loans repaid. The amount of the premium is based on the type of indebtedness incurred to repay the loans. Amounts borrowed and repaid under the Exit Facility may not be reborrowed.

The Exit Facility will mature on August 11, 2028.

The obligations of the Company under the Exit Facility are guaranteed by certain subsidiaries of the Company that are organized in the United States (the Guarantors). The Exit Facility and related guarantees are secured by perfected senior security interests and liens on substantially all assets of the Company and each Guarantor.

Loans under the Exit Facility bear interest at an adjusted secured overnight financing rate with a one-month tenor rate plus 7.50% per annum or an adjusted base rate plus 6.50% per annum.

On February 13, 2024, the Company, as borrower, entered into a credit agreement (the Revolving Credit Agreement) with certain financial institutions party thereto, as lenders, and PNC Bank, National Association, as administrative agent and collateral agent. The Revolving Credit Agreement provides for a superior-priority senior secured revolving credit facility (the Revolving Credit Facility) in an aggregate principal amount of $200.0, which includes a $50.0 letter of credit sub-limit and a $20.0 swing loan sub-limit. Borrowings under the Revolving Credit Facility may be used by the Company for (i) the repayment of outstanding principal under the senior secured term loans under the Exit Credit Agreement and (ii) general corporate purposes and working capital. Loans under the Revolving Credit Agreement bear interest at an adjusted secured overnight financing rate plus 4.00 percent per annum or an adjusted base rate plus 3.00 percent per annum.

Concurrently with the closing of the Revolving Credit Facility, the Company prepaid $200.0 of outstanding principal of its senior secured term loans under the Exit Credit Agreement.

The Revolving Credit Facility will mature on February 13, 2027.

As of March 31, 2024, $50.0 was drawn under the Revolving Credit Facility.

Liquidity provided thereunder is expected to sustain the Company for at least the next twelve months.

The Company's total cash and cash availability was as follows:

	Successor March 31, 2024	Successor December 31, 2023
Cash and cash equivalents	$ 281.9	$ 550.2
Additional cash availability from:		
Short-term investments	19.2	13.4
Total cash and cash availability	$ 301.1	$ 563.6

The following table summarizes the results of the Company's condensed consolidated statement of cash flows:

Summary of cash flows:	Successor Three months ended March 31, 2024	Predecessor Three months ended March 31, 2023
Net cash used by operating activities	$ (23.5)	$ (95.9)
Net cash used by investing activities	(18.0)	(1.7)
Net cash (used), provided by financing activities	(158.0)	21.1
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4.7)	1.9
Change in cash, cash equivalents and restricted cash	$ (204.2)	$ (74.6)

Operating Activities

Cash flows from operating activities can fluctuate significantly from period to period as working capital needs and the timing of payments impact reported cash flows.

- Cash flows from operating activities during the Successor Period ended March 31, 2024 were driven by cash provided by trade receivables, accounts payable and deferred revenue as well as cash uses for inventories. The key drivers of these cash flows are timing of sales, collections, and vendor payments which can fluctuate significantly period to period.
- Cash flows from operating activities during the Predecessor Period ended March 31, 2023 were driven by uses for inventory and accounts payable primarily due to normalize supplier payments which is expected to revert to our historic level.

Investing Activities

Cash flows from investing activities during the Successor and Predecessor Periods, respectively, approximate normal operations of the Company and reflect expected trend. The increase in purchases of investments in the Successor period was due to excess cash from the receipt of a large customer payment during the quarter.

Financing Activities

Cash flows from financing activities during the Successor Period include a $200.0 borrowing against the Revolving Credit Facility which was used to pay down the Exit Facility, and a $150.0 repayment of the Revolving Credit Facility (refer to Note 11 of the condensed consolidated financial statements).

Contractual and Other Material Cash Obligations

The Company enters into certain purchase commitments due within one year for materials through contract manufacturing agreements for a total negotiated price. At March 31, 2024, the Company had minimal purchase commitments due within one year for materials through contract manufacturing agreements at negotiated prices.

Except for the repayment of the Exit Facility and the incurrence of debt under the Revolving Credit Facility, contractual and other cash obligations with initial and remaining terms in excess of one year and contingent liabilities remained generally unchanged at March 31, 2024 compared to December 31, 2023.

Off-Balance Sheet Arrangements

The Company enters into various arrangements not recognized in the consolidated balance sheets that have or could have an effect on its financial condition, results of operations, liquidity, capital expenditures or capital resources. The principal off-balance sheet arrangements that the Company enters into are guarantees and sales of finance lease receivables. The Company provides its global operations guarantees and standby letters of credit through various financial institutions to suppliers, customers, regulatory agencies and insurance providers. If the Company is not able to comply with its contractual obligations, the suppliers, regulatory agencies and insurance providers may draw on the pertinent bank. The Company has sold finance lease receivables to financial institutions while continuing to service the receivables. The Company records these sales by removing finance lease receivables from the consolidated balance sheets and recording gains and losses in the consolidated statement of operations (refer to Note 18 of the condensed consolidated financial statements).

Critical Accounting Policies and Estimates

Management's discussion and analysis of the Company's financial condition and results of operations are based upon the Company's condensed consolidated financial statements. The consolidated financial statements of the Company are prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP). The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities and reported amounts of revenues and expenses. Such estimates include revenue recognition, the valuation of trade and financing receivables, inventories, goodwill, intangible assets, other long-lived assets, legal contingencies, guarantee obligations, and assumptions used in the calculation of income taxes, pension and post-retirement benefits and customer incentives, among others. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors. Management monitors the economic conditions and other factors and will adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

All other material critical accounting policies and estimates are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Forward-Looking Statement Disclosure

This Quarterly Report on Form 10-Q and the exhibits hereto may contain statements that are not historical information and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. These forward-looking statements include, but are not limited to, projections, statements regarding the Company's expected future performance (including expected results of operations and financial guidance), future financial condition, anticipated operating results, strategy plans, future liquidity and financial position.

Statements can generally be identified as forward looking because they include words such as "believes," "anticipates," "expects," "intends," "plans," "will," "estimates," "potential," "target," "predict," "project," "seek," and variations thereof or "could," "should" or words of similar meaning. Statements that describe the Company's future plans, objectives or goals are also forward-looking statements, which reflect the current views of the Company with respect to future events and are subject to assumptions, risks and uncertainties that could cause actual results to differ materially. Although the Company believes that these forward-looking statements are based upon reasonable assumptions regarding, among other things, the economy, its knowledge of its business, and key performance indicators that impact the Company, these forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in or implied by the forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The factors that may affect the Company's results include, among others:

- the Company's recent emergence from the Chapter 11 Cases and the Dutch Scheme Proceedings, which could adversely affect our business and relationships;
- the significant variance of our actual financial results from the projections that were filed with the U.S. Bankruptcy Court and Dutch Court;
- the overall impact of the global supply chain complexities on the Company and its business, including delays in sourcing key components as well as longer transport times, especially for container ships and U.S. trucking, given the Company's reliance on suppliers, subcontractors and availability of raw materials and other components;
- the Company's ability to generate sufficient cash or have sufficient access to capital resources to service its debt, which, if unsuccessful or insufficient, could force the Company to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness;
- the Company's ability to comply with the covenants contained in the agreements governing its debt;
- the Company's ability to successfully convert its backlog into sales, including our ability to overcome supply chain and liquidity challenges;

- the ultimate impact of infectious disease outbreaks and other public health emergencies, including further adverse effects to the Company's supply chain, and maintenance of increased order backlog;
- the Company's ability to successfully meet its cost-reduction goals and continue to achieve benefits from its cost-reduction initiatives and other strategic initiatives;
- the success of the Company's new products, including its DN Series line and EASY family of retail checkout solutions, and electronic vehicle charging service business;
- the impact of a cybersecurity incident or operational failure on the Company's business;
- the Company's ability to attract, retain and motivate key employees;
- the Company's reliance on suppliers, subcontractors and availability of raw materials and other components;
- changes in the Company's intention to further repatriate cash and cash equivalents and short-term investments residing in international tax jurisdictions, which could negatively impact foreign and domestic taxes;
- the Company's success in divesting, reorganizing or exiting non-core and/or non-accretive businesses and its ability to successfully manage acquisitions, divestitures, and alliances;
- the ultimate outcome of the appraisal proceedings initiated in connection with the implementation of the Domination and Profit Loss Transfer Agreement with the former Diebold Nixdorf AG (which was dismissed in the Company's favor at the lower court level in 2022) and the merger/squeeze-out (which was dismissed in the Company's favor in 2023);
- the impact of market and economic conditions, including the bankruptcies, restructuring or consolidations of financial institutions, which could reduce the Company's customer base and/or adversely affect its customers' ability to make capital expenditures, as well as adversely impact the availability and cost of credit;
- the impact of competitive pressures, including pricing pressures and technological developments;
- risks related to our international operations, including geopolitical instability and wars;
- changes in political, economic or other factors such as currency exchange rates, inflation rates (including the impact of possible currency devaluations in countries experiencing high inflation rates), recessionary or expansive trends, disruption in energy supply, taxes and regulations and laws affecting the worldwide business in each of the Company's operations;
- the Company's ability to maintain effective internal controls;
- unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments;
- the effect of changes in law and regulations or the manner of enforcement in the U.S. and internationally and the Company's ability to comply with applicable laws and regulations; and
- other factors included in the Company's filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2023 and this Quarterly Report on Form 10-Q.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to update these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of market risk exposures. There have been no other material changes in this information since December 31, 2023.

Item 4: Controls and Procedures

This Quarterly Report on Form 10-Q includes the certifications of the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) required by Rule 13a-14 of the Securities Exchange Act of 1934 (the Exchange Act). See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Based on the performance of procedures by management, designed to ensure the reliability of financial reporting, management believes that the unaudited condensed consolidated financial statements fairly present, in all material respects, the Company's financial position, results of operations and cash flows as of the dates, and for the periods presented.

Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (SEC) rules and forms and that such information is accumulated and communicated to management, including the CEO and CFO as appropriate, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on Form 10-Q, the Company's management, under the supervision and with the participation of the CEO and CFO, conducted an evaluation of disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, the CEO and CFO have concluded that such disclosure controls and procedures were effective as of March 31, 2024.

Change in Internal Controls

During the quarter ended March 31, 2024, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
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(in millions, except share and per share amounts)

Part II – Other Information

Item 1: Legal Proceedings

At March 31, 2024, the Company was a party to several lawsuits that were incurred in the normal course of business, which neither individually nor in the aggregate are considered material by management in relation to the Company's financial position or results of operations. In management's opinion, the Company's condensed consolidated financial statements would not be materially affected by the outcome of these legal proceedings, commitments or asserted claims.

For more information regarding legal proceedings, please refer to Part I, Item 3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023 and to "Legal Contingencies" in Note 16 of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. Other than as described in "Legal Contingencies" in Note 16 of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, there have been no material developments with respect to the legal proceedings reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 1A: Risk Factors

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023. There has been no material change to this information since December 31, 2023.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Except as otherwise disclosed in this Quarterly Report on Form 10-Q or reported previously in a Current Report on Form 8-K by the Company, none.

Item 3: Defaults Upon Senior Securities

Except as otherwise disclosed in this Quarterly Report on Form 10-Q or reported previously in a Current Report on Form 8-K by the Company, none.

Item 4: Mine Safety Disclosures

Not applicable.

Item 5: Other Information

Adoption, Modification or Termination of Trading Plans

During the quarter ended March 31, 2024, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

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Item 6: Exhibits

10.1	Credit Agreement, dated as of February 13, 2024, by and among Diebold Nixdorf, Incorporated, the financial institutions party thereto, as lenders, and PNC Bank, National Association, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-L filed with the SEC on February 13, 2024)
21.1	Subsidiaries of the Registrant as of March 31, 2024
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document included in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DIEBOLD NIXDORF, INCORPORATED

Date: May 02, 2024

/s/ Octavio Marquez

By: Octavio Marquez
President and Chief Executive Officer
(Principal Executive Officer)